

Schedule 5(a)

**Form of Election Notice for Certain Bondholders with Respect to Claims in
Classes 2, 17, 24, and 42**

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, THE
EMPLOYEES RETIREMENT SYSTEM OF THE
GOVERNMENT OF THE COMMONWEALTH OF
PUERTO RICO, AND THE PUERTO RICO PUBLIC
BUILDINGS AUTHORITY,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

ELECTION NOTICE
FOR ASSURED BONDHOLDERS WITH CLAIMS IN CLASSES 2, 17, 24, AND 42

This Assured Bondholder Election Notice (the “**Notice**”) is being sent to certain beneficial holders of Vintage PBA Bond Claims (Assured), Vintage CW Bond Claims (Assured), Vintage CW Guarantee Bond Claims (Assured), and 2012 CW Bond Claims (Assured), identified on Exhibit A to this Notice, arising on account of Assured Insured Bonds, the scheduled repayment of which has been insured by Assured Guaranty Corp. or Assured Guaranty Municipal Corp. (collectively, “**Assured**”) in accordance with the terms of the Assured Insurance Policies. These securities give rise to Claims in Classes 2, 17, 24, and 42 of the *Fifth Amended Title III Plan of Adjustment of the Commonwealth of Puerto Rico, et al.* (as the same may be updated, supplemented, amended and/or otherwise modified from time to time, the “**Plan**”).²

Although Assured has the right to cast the vote on account of Claims arising from Assured Insured Bonds to accept or reject the Plan, the holders of the Assured Insured Bonds identified on Exhibit A are entitled to elect their form of distribution under the Plan. Specifically, each such beneficial

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

² Unless otherwise defined herein, each capitalized term used herein shall have the meaning given to it in the Plan.

holder may elect one of the following two Assured Bondholder Elections, in each case on terms acceptable to Assured:

Assured Bondholder Election 1: You will receive from Assured on the Effective Date the applicable Acceleration Price of one hundred percent (100%) of the principal amount of the Assured Insured Bonds held by you plus accrued interest thereon (or, in the case of any capital appreciation bonds, the compounded amount thereof) to the date of payment in full satisfaction and discharge of Assured's obligations with respect to you under the applicable Assured Insurance Policies, and Assured shall receive the cash and Assured New Securities allocable to you under the Plan; or

Assured Bondholder Election 2: You will opt into a custodial trust, escrow arrangement, or similar structure established by Assured that will provide you with an interest in (A) the applicable Assured Insurance Policy and (B) certain Assured New Securities in accordance with terms acceptable to Assured. Under Section 75.1(c) of the Plan, the payment of the principal of the Assured Insured Bonds shall be accelerated from and after the Effective Date, and such Assured Insured Bonds shall be due and payable from and after the Effective Date at the Acceleration Price of one hundred percent (100%) of the principal amount thereof plus accrued interest thereon (or, in the case of any capital appreciation bonds, the compounded amount thereof) to the date of payment. Furthermore, under the applicable Assured Insurance Policies, Assured may elect, in its sole discretion, to make any principal payment, in whole or in part, on any date on which such principal payment is due by reason of acceleration or other advancement of maturity. Pursuant to Section 75.1(c) of the Plan and the applicable Assured Insurance Policies, in the case of any Assured Insured Bonds the holders of which have elected (or are deemed to have elected) Assured Bondholder Election 2, Assured will retain the right to pay the Acceleration Price and fully satisfy its obligations with respect to such bonds and the applicable Assured Insurance Policies at any time after the Effective Date upon 30 days' notice to the relevant holders. Assured's retention of this right will be reflected in the applicable custodial trust or escrow documentation.

From and after payment of the Acceleration Price on the Effective Date or other date of payment selected by Assured Guaranty, with thirty days' notice, interest on such Assured Insured Bonds shall cease to accrue and be payable.

Payment of the applicable Acceleration Price with respect to any Assured Insured Bond in accordance with any of the provisions above shall satisfy and discharge all of Assured Guaranty's obligations under the Assured Insurance Policies with respect to such Assured Insured Bond.

If you fail to make an election, you will be deemed to have elected Assured Bondholder Election 2.

You are encouraged to review the entire Disclosure Statement and the Plan before making an Assured Bondholder Election.

Please take notice that you are not able to vote to accept or reject the Plan and will not receive separate voting instructions for such purpose. Pursuant to the Disclosure Statement Order, Assured is entitled to vote to accept or reject the Plan on account of Vintage PBA Bond Claims (Assured), Vintage CW Bond Claims (Assured), Vintage CW Guarantee Bond Claims (Assured), 2011 CW Bond Claims (Assured), 2011 CW Series D/E/PIB Bond Claims (Assured), 2012 CW Bond Claims (Assured).

IF YOU WISH TO RECEIVE YOUR DISTRIBUTION UNDER ASSURED BONDHOLDER ELECTION 2, YOU DO NOT NEED TO TAKE ANY FURTHER ACTION.

Each holder of Assured Insured Bonds described on Exhibit A attached hereto that wishes to make Assured Bondholder Election 1 must submit a valid election in the manner described herein.

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How to Submit a Valid Assured Bondholder Election

If you wish to elect to receive your distribution under the Plan pursuant to Assured Bondholder Election 1, you must instruct your broker or nominee (each, a “**Nominee**”) to electronically deliver your Assured Insured Bonds via the Automated Tender Offer Program (“**ATOP**”) at The Depository Trust Company (“**DTC**”), which will constitute an election via DTC’s ATOP system to receive your distribution under Assured Bondholder Election 1.

No paperwork is required to be delivered to Prime Clerk to effectuate the election. The sole means of effectuating this election is to (i) validly tender your Assured Insured Bonds into the proper ATOP envelope at DTC, and (ii) make the election to receive distributions under Assured Bondholder Election 1, each as described on DTC’s ATOP system.

**THE ASSURED BONDHOLDER ELECTION DEADLINE IS
5:00 P.M. (ATLANTIC STANDARD TIME) ON OCTOBER 4, 2021.**

This date and time is referred to as the “**Election Deadline.**”

PLEASE TAKE NOTICE THAT IF YOU TENDER YOUR ASSURED INSURED BONDS THROUGH ATOP, YOU WILL BE RESTRICTED FROM TRANSFERRING YOUR ASSURED INSURED BONDS FROM THE ELECTION DEADLINE UNTIL THE EFFECTIVE DATE OF THE PLAN. IF YOU DESIRE TO RETAIN THE ABILITY TO TRADE OR TRANSFER YOUR ASSURED INSURED BONDS PRIOR TO THE EFFECTIVE DATE, THEN YOU SHOULD NOT TENDER YOUR EXISTING ASSURED INSURED BONDS THROUGH ATOP.

YOU MAY, HOWEVER, REVOKE YOUR ELECTION AT ANY TIME BEFORE THE ELECTION DEADLINE AND WITHDRAW ANY TENDERED ASSURED INSURED BONDS.

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How to Revoke a Valid Assured Bondholder Election

You may revoke an election to receive distributions under Assured Bondholder Election 1 and withdraw your Assured Insured Bonds tendered through DTC's ATOP at any time on or before the Election Deadline.

If you wish to revoke your election, you must instruct your Nominee to revoke your election and withdraw your Assured Insured Bonds via ATOP at DTC (which withdrawal will be confirmed by Prime Clerk LLC once notified by DTC of the withdrawal request). No paperwork is required to be delivered to Prime Clerk LLC to effectuate the revocation of the election.

If you revoke your election at any time before the Election Deadline, you may renew your election to receive your distribution under Assured Bondholder Election 1 at any time before the Election Deadline, in accordance with the instructions to submit a valid election above.

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If you have any questions about your holdings, please contact your Nominee. Additionally, you must contact your Nominee to take any action described above.

IF YOU HAVE ANY QUESTIONS REGARDING THIS NOTICE, PLEASE CONTACT THE BALLOTING AGENT, PRIME CLERK LLC, BY TELEPHONE AT (844) 822-9231 (TOLL FREE FOR U.S. AND PUERTO RICO) OR (646) 486-7944 (FOR INTERNATIONAL CALLERS), AVAILABLE 10:00 A.M. TO 7:00 P.M. (ATLANTIC STANDARD TIME) (SPANISH AVAILABLE), OR BY EMAIL AT PUERTORICOINFO@PRIMECLERK.COM AND REFERENCE "ASSURED DISTRIBUTION ELECTION" IN THE SUBJECT LINE. PLEASE NOTE THAT PRIME CLERK, LLC IS NOT AUTHORIZED TO PROVIDE, AND WILL NOT PROVIDE, LEGAL ADVICE.

All questions as to the validity, form and eligibility (including time of receipt) of your election will be determined by the Oversight Board, whose determination shall be final and binding on all parties. The Oversight Board and Assured reserve the absolute right to reject any or all elections that are not in proper form or the acceptance of which would, in its legal counsel's opinion, be unlawful. The Oversight Board and Assured also reserve the right to waive any defects, irregularities or conditions as to an election. A waiver of any defect or irregularity in one instance shall not constitute a waiver of the same or any other defect or irregularity with respect to any other instance except to the extent the Oversight Board may otherwise so provide. An election shall not be deemed to have been made until any defects or irregularities have been waived by us or cured. None of the Oversight Board, Assured or the Balloting Agent, nor any other person will be under any duty to give notification of any defect or irregularity in this election, or will incur any liability to you for failure to give any such notification.

Exhibit A

**Assured Insured Bonds as to which Assured Insured Bondholders may elect Assured
Bondholder Election 1 or 2**

[TO BE ADDED]